

European Fisheries Fund (EFF)

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The Commission presented its eighth annual report on the implementation of the European Fisheries Fund (EFF) during 2014.

The 2014 annual implementation report confirmed the following trends highlighted in previous reports:

Axis 1: measures for the adaptation of the community fishing fleet:

- by 31 May 2015, the EFF had contributed to 4 267 **permanent cessation** operations (+4 % over 31 May 2014), at a total public cost of EUR 935.81 million, including EUR 546.34 million from the EFF;
- as in previous years, **temporary cessation** remains the most used measure in terms of number of operations (63 152 operations 46.27% of the total number). However, in relative terms the importance of support to temporary cessation decreased by 10% between May 2014 and May 2015;
- **investments** in selectivity and on board fishing vessels remain the second most used set of EFF measures (13 019 operations); however, their relative importance has decreased since May 2013 (from 10.8% to 9.54%);
- operations in favour of small-scale coastal fishing remain few, representing only 4.21% of the total number of operations, but just 0.97% of the total EFF commitments.

The **gradual decrease over the last years in EFF support to measures under Axis 1 (permanent and temporary cessation in particular) is more prominent in 2014-2015**. This decrease can be explained by the following factors: scrapping schemes implemented in the past partly addressed overcapacity in some fleet segments; the improved profitability of some fleets makes the sector more confident in its future.

Axis 2: aquaculture and processing: aquaculture measures are the second largest areas of investment for the EFF:

- the number of operations is relatively small (8 358 operations, 6.12 % of the total), but they consume 14.33% of EFF commitments;
- **the relative importance of processing operations** has been increasing since end of July 2012 (+37%). The total cost of operations amount to EUR 2.39 billion of which EUR 1.33 billion are private resources and EUR 1.06 billion are public resources, of which EUR 685 million correspond to the EFF and the rest to public national contributions.

Axis 3: measures of common interest: axis 3 is still making progress, though at a relatively slower pace:

- by 31 May 2015, the EFF was contributing to 1 702 infrastructure projects (1.25 % of the total). Total investments amount to EUR 815.3 million (+17% over May 2014), with a public contribution of EUR 745 million (+16.5%), of which EUR 435.96 million EFF (+10%);
- **development of new markets and promotional campaigns**, by 31 May 2015, while the number of financed operations in this field was relatively small (2 363, 1.73 % of the total), they consumed 3.63% of total EFF commitments;
- **pilot** operations include the experimental use of more selective fishing techniques aimed at acquiring and disseminating new technical knowledge. The figures remain modest, 716 operations, representing just 0.52% of the total number, which is nevertheless a significant increase over 31 May 2014 (+20.5%).

Axis 4: sustainable development of fishery areas: axis 4 is **rapidly progressing** and now represents 11.47% of total EFF commitments. Whilst at the end of 2012 there were only 2 756 projects selected on the ground, this figure jumped to 6 353 projects in one year. This trend continued and by 31 May 2015, 11 299 projects had been approved (+28.4%).

National public contributions and private contributions: comparing the situation at the end of May of 2015 and 2014, it is possible to observe that for many measures (particularly aquaculture, processing, pilot projects and marketing measures) **the average national public contribution per operation increases more rapidly than the EFF contribution.**

In addition given the relative decrease in state aid schemes, it could be argued that national support is being directed towards co-financing EFF measures rather than granting state aid.

There is some evidence of an **increase of the private contribution per operation.** In part, this can be explained by a decrease in the aid intensity of EFF supported operations, particularly in profitable sectors of activity (most notably aquaculture and processing), which could be consistent with the fiscal consolidation over recent years.

Financial implementation of the EFF by the Member States: certified interim **payments** sent by Member States in 2014 totalled EUR 567 million, which represents a **4% increase** if compared with the same figure for 2013 (EUR 544 million). From 2007 to 31 May 2015, EFF **commitments** by the Member States amounted to EUR 3.91 billion. This represents an **increase of 14.5 %** of EFF commitments over 31 May 2014.

Both commitments and certified expenditure at the level of the Member States have improved but are **still below the level expected** before the end of EFF implementation.

By 31 May 2015, **over 9% of the EFF allocation (some EUR 394 million) had not been committed yet**, pointing to an urgent need to accelerate payments, in order to ensure full use of all funds available within the deadline (31 December 2015).